

**VIRGIN ISLANDS PUBLIC FINANCE VIPFA**  
**CONTRACT FOR PROFESSIONAL SERVICES**

THIS Contract for Professional Services (the "Agreement") is made this 30<sup>th</sup> day of November 2017 by and between the **VIRGIN ISLANDS PUBLIC FINANCE AUTHORITY ("VIPFA")**, an autonomous instrumentality of, and acting on behalf of the, Government of the United States Virgin Islands, (collectively "**the Government**") and **ERNST & YOUNG PUERTO RICO LLC** (hereinafter referred to as "**the Consultant**" or "**EY**"). The VIPFA and the Consultant shall collectively be referred to herein as the "**Parties**".

**WITNESSETH:**

**WHEREAS**, the Governor of the United States Virgin Islands has declared a state of emergency following two category five hurricanes, Irma and Maria, pummeling the islands within two weeks of each other, destroying homes and buildings, devastating the infrastructure, adversely impacting public services, and threatening the financial and economic stability of the Virgin Islands by eliminating revenue streams; and

**WHEREAS**, VIPFA, acting on behalf of the Government of the Virgin Islands (the "Government"), has conducted a competitive negotiation process to identify and retain one or more consultants and advisors to assist the Government in coordinating its recovery efforts with the Federal Emergency Management Administration ("FEMA") and other Federal Agencies and ensuring that those efforts comply with applicable Federal statutes regulations and guidelines ("FEMA Consulting"); and

**WHEREAS**, Consultant is in the business of providing FEMA Consulting, and represents that it is willing, capable and qualified to provide such services;

**WHEREAS**, the VIPFA desires to utilize Consultant's services as provided herein.

**WHEREAS**, the Consultant is qualified to provide the recovery services outlined in Addendum I (Scope of Services) attached hereto, and has consented to provide the services.

**NOW THEREFORE**, in consideration of the mutual covenants contained herein and intending to be legally bound by this written instrument, the Parties hereto covenant and agree as follows:

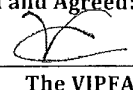
**1. SERVICES**

The Consultant will provide the services described in **Addendum I (Scope of Services)** attached hereto and made a part of this Agreement (the "Services").

**2. TERM**

This Agreement shall become effective as of the date provided in Section 23 hereof, and shall remain in effect until the completion of the Services, unless sooner terminated in

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accordance with Paragraph 20 (Termination), or at such earlier or later date as the Parties agree in writing by Addendum to this Agreement.

**3. COMPENSATION**

VIPFA, in consideration of the satisfactory performance of the Services, shall compensate Consultant on the terms set forth in **Addendum II (Compensation and Rate Schedule)** attached hereto and made a part of this Agreement.

**4. TRAVEL EXPENSES AND OTHER COSTS**

VIPFA shall pay or reimburse Consultant for all reasonable out-of-pocket expenses incurred and properly documented by Consultant or Consultant personnel in performing the Services set forth in this Agreement including without limitation, transportation, lodging, subsistence, and communications (“**Reimbursable Expenses**”). Travel expenses include airfare, lodging and other accommodations. Lodging and per diem will follow applicable U.S. Government (GSA) rates for the area, and VIPFA will reimburse for coach class airfare (or equivalent).

**5. RECORDS**

The Consultant will, upon VIPFA’s request and at such regular intervals as may be reasonably determined by VIPFA, present documented, precise records of time and/or money expended under this Agreement.

**6. PROFESSIONAL STANDARDS**

The Consultant agrees to provide the services described in **Addendum I (Scope of Services)** in accordance with the professional standards stated in Addendum I. All workers employed to perform work hereunder shall be authorized to work and duly qualified to perform the work assigned to them and the Consultant and shall comply fully with all applicable laws and regulations of the United States Virgin Islands or of the United States governing or related to the performance hereunder. Inasmuch as the Consultant is an audit and accounting firm, the Consultant is expected to comply with all ethical rules of professional conduct and licensing requirements governing such profession.

**7. DOCUMENTS, PRINTOUTS, ETC.**

All documents, books, records, instructional materials, programs, printouts, and memoranda of every description derived therefrom and pertaining to this Agreement shall become the property of VIPFA and shall be turned over to it upon demand. The above described materials shall not be used by Consultant or by any other person or entity except upon the written permission of VIPFA. Notwithstanding the foregoing, VIPFA acknowledges that in the course of its performance under the Agreement, the Consultant

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may use products, materials and methodologies that are proprietary to Consultant, and VIPFA agrees that it shall have no rights in such proprietary products, materials and methodologies except pursuant to a separate written agreement (if any) executed by the Parties.

Inasmuch as the Consultant is an audit and accounting firm, the Consultant is allowed to retain workpapers required to comply with all rules of professional conduct and licensing requirements governing such profession according to applicable record retention guidelines.

**8. LIABILITY OF OTHERS**

Nothing in this Agreement shall be construed to impose any liability upon VIPFA to persons, firms, associations, or corporations engaged by the Consultant as employees, servants, agents, or independent contractors, or in any other capacity whatsoever, or make the VIPFA or the Government liable to any such persons, firms, associations, or corporations for the acts, omissions, liabilities, obligations and taxes of the Consultant of whatsoever nature, including but not limited to unemployment insurance and social security taxes for the Consultant, its employees, servants, agents or independent contractors.

**9. SUBCONTRACTING AND ASSIGNMENT**

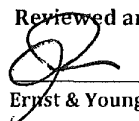

The Consultant shall not subcontract or assign any part of the services under this Agreement without the prior written consent of VIPFA, except that Consultant may subcontract portions of the Services to other members of the Ernst & Young global network (“EY Firms”) upon written notice to VIPFA. Irrespective of any subcontract, Consultant alone will be responsible to VIPFA for the performance of the Services and Consultant’s other obligations under this Agreement. VIPFA may assign this Agreement to the Government upon five (5) days’ written notice to the Consultant.

**10. DOCUMENT RETENTION STANDARDS**

The Consultant agrees to retain documents and records for a period of five (5) years from the date of final payment under this Agreement. Within ninety (90) days of the expiration of said period, Consultant shall provide VIPFA with notice of its intent to destroy the records. VIPFA shall provide the Consultant with notice of its demand for delivery of records before the expiration of the five years.

**11. LIABILITY AND INDEMNIFICATION**

Consultant agrees to investigate, defend and hold harmless **VIPFA and the Government**, for whose benefit this Agreement is entered, from and against any and all loss, damage, liability, claims, demands, detriments, cost, charges and expenses (including

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attorney's fees) and causes of action of whatsoever character which VIPFA and or the Government may incur, sustain or be subjected to, arising out of the services to be performed by the Consultant under this Agreement, except (i) for actions arising out of, and caused by, gross negligence of VIPFA or the Government, and (ii) as otherwise limited in this Agreement. This indemnification clause is not intended to convert a claim based solely upon a breach of contract theory into a tort claim.


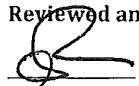
Notwithstanding any contrary provision in this agreement, Consultant's liability for any and all claims arising out of or in connection with the agreement or the services shall not exceed, in the aggregate, three times the fees actually paid by VIPFA and the Government to Consultant within the twelve (12) months preceding the event giving rise to the claim under this Agreement; provided, however, that such limitation of liability shall not apply if the liability asserted is based on fraud or willful misconduct or to the extent prohibited by applicable law or professional regulations.

**12. INDEPENDENT CONTRACTOR**

The Consultant is an independent contractor, and neither it nor any of its personnel shall be deemed to be an employee or agent of VIPFA. Nothing contained in this Agreement shall be construed as creating the relationship of employer and employee between VIPFA and any Consultant personnel or granting to Consultant or any of its personnel any rights under any employee benefit plan, policies or procedures of VIPFA. Unless otherwise provided herein, all matters governing the terms and conditions of employment of Consultant's personnel shall be the sole responsibility of Consultant including, but not limited to, the reporting, withholding and/or payment of all wages, benefits, unemployment, social security and other payroll taxes for its personnel. Consultant shall indemnify and hold VIPFA harmless against all liability and loss resulting from Consultant's failure to pay all taxes and fees imposed by the Government under employment insurance, social security and income tax laws with regard to Consultant's employees engaged in the performance of this Agreement.

**13. SOLE RECOURSE**

The Consultant shall remain fully responsible for the Services and for all of its other responsibilities, covenants and obligations under this Agreement, notwithstanding that the Consultant may subcontract portions of the Services to other EY Firms consistent with Section 9 hereof or that other EY Firms may participate in the provision of the Services. The VIPFA may not make a claim or bring proceedings relating to the Services or otherwise under this Contract against any other EY Firm and EY shall not contest its responsibility for the Services on the basis that any of them were performed by another EY Firm. The VIPFA shall make any claim or bring proceedings only against the Consultant, "Ernst & Young, LLP". This paragraph is intended to benefit the other EY Firms, which shall be entitled to enforce it. Each EY Firm is a separate legal entity.

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#### 14. GOVERNING LAW; DISPUTES

(a) This Agreement shall be governed by the laws of the United States Virgin Islands without regard to conflict of laws principles.

(b) Any claims limited solely to seeking non-monetary or equitable relief for the enforcement of this Agreement or arising from any breach of this Agreement shall be filed and maintained in a court of competent jurisdiction in the United States Virgin Islands.

(c) Except for claims limited solely to seeking non-monetary or equitable relief, any dispute or claim arising out of or relating to the Services, this Agreement or any other services provided by or on behalf of the Consultant or any of its subcontractors or agents to the Authority or at the Authority's request, shall be resolved by mediation or arbitration, as follows:


(1) Mediation. A Party shall submit a dispute to mediation by written notice to the other Party. The mediator shall be selected by the Parties. If the Parties cannot agree on a mediator, the International Institute for Conflict Prevention and Resolution ("CPR") shall designate a mediator at the request of a Party. Any mediator must be acceptable to all Parties and must confirm in writing that he or she is not, and will not become during the term of the mediation, an employee, partner, executive officer, director, or substantial equity owner of any audit client of Consultant or any EY Firm.

The mediator shall conduct the mediation as he/she determines, with the agreement of the Parties. The Parties shall discuss their differences in good faith and attempt, with the mediator's assistance, to reach an amicable resolution of the dispute. The mediation shall be treated as a settlement discussion and shall therefore be confidential. The mediator may not testify for either party in any later proceeding relating to the dispute. The mediation proceedings shall not be recorded or transcribed.

Each Party shall bear its own costs in the mediation. The Parties shall share equally the fees and expenses of the mediator.

If the Parties have not resolved a dispute within 90 days after written notice beginning mediation (or a longer period, if the Parties agree to extend the mediation), the mediation shall terminate and the dispute shall be settled by arbitration. In addition, if a Party initiates litigation, arbitration, or other binding dispute resolution process without initiating mediation, or before the mediation process has terminated, an opposing Party may deem the mediation requirement to have been waived and may proceed with arbitration in accordance with subparagraph (2) below.

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(2) Arbitration. The arbitration will be conducted in accordance with the procedures in this document and the CPR Rules for Non-Administered Arbitration ("Rules") as in effect on the date of the Agreement, or such other rules and procedures as the Parties may agree. In the event of a conflict, the provisions of this document will control.

The arbitration will be conducted before a panel of three arbitrators, to be selected in accordance with the screened selection process provided in the Rules. Any issue concerning the extent to which any dispute is subject to arbitration, or concerning the applicability, interpretation, or enforceability of any of these procedures, shall be governed by the Federal Arbitration Act and resolved by the arbitrators. No potential arbitrator may be appointed unless he or she has agreed in writing to these procedures and has confirmed in writing that he or she is not, and will not become during the term of the arbitration, an employee, partner, executive officer, director, or substantial equity owner of any audit client of Consultant or any EY Firm.

**15. WAIVERS AND AMENDMENTS**

No waiver, modification or amendment of any term, condition or provision of this Agreement shall be valid or of any force or effect unless made in writing, signed by the Parties hereto or their duly authorized representatives and specifying with particularity the nature and extent to such waiver, modification or amendment. Any such waiver, modification or amendment in any instance or instances shall in no event be construed to be a general waiver, modification or amendment of any of the terms, conditions or provisions of this Agreement, but the same shall be strictly limited and restricted to the extent and occasion specified in such signed writing or writings.

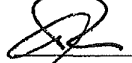
**16. ENTIRE AGREEMENT**

This Agreement constitutes the entire agreement between the Parties hereto, and all prior understandings or communications, written or oral, with respect to the Services, are merged herein.

**17. RIGHT TO WITHHOLD**

If work under this Agreement is not performed in accordance with the terms hereof, VIPFA will have the right to withhold out of any payment due to Consultant, such sums as VIPFA may deem ample to protect it against loss or to assure payment of claims arising therefrom, and, at its option, VIPFA may apply such sums in such manner as the VIPFA

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may deem proper to secure itself or to satisfy such claims. VIPFA will immediately notify the Consultant in writing in the event that it elects to exercise its right to withhold.

**18. CONDITION PRECEDENT**

Ratification of this Agreement by the Board of Directors of the VIPFA at a duly convened meeting shall be a condition precedent for payment by VIPFA of any sums, singly or in the aggregate, in excess of \$50,000.00.

**19. LEGAL PROCESS**



If the Agreement is requested or authorized by the VIPFA or is required by government regulation, subpoena, or other legal process to produce the Consultant's documents or the Consultant's personnel as witnesses with respect to the Consultant's engagements for the VIPFA, the VIPFA will, so long as the Consultant is not a party to the proceeding in which the information is sought, reimburse the Consultant for the Consultant's professional time and expenses, as well as the fees and expenses of our counsel, incurred in responding to such requests.

**20. TERMINATION**

This Agreement may be terminated at any time by either Party, for cause or for convenience or for any reason, provided that the terminating Party provides the other with fifteen (15) days' written notice. In addition, VIPFA has the right to terminate this Agreement on 3 days' notice to the other in the event changed circumstances render Consultant's services unnecessary or impractical. Either Party may also immediately terminate this Agreement upon a material breach of this Agreement, with no further payment or service obligation from either Party past the date of termination. In any event of termination, VIPFA shall pay for services rendered through the date of termination. Upon receiving a notice of termination from VIPFA (a "Notice of Termination"), Consultant shall:

- (a) Stop work under this Agreement on the date and to the extent specified in the Notice of Termination.
- (b) Complete the performance of such part of the work that has been specified for completion by the Notice of Termination. However, the Consultant shall not be obligated without its express consent to complete the performance of any part of the work contemplated under this Agreement, or to continue performing on such parts of the work as VIPFA may specify following the effective date of termination.

Upon termination of this Agreement in full, VIPFA may require the Consultant to return to VIPFA any property made available for its use during the term of this Agreement.

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## 21. NON-DISCRIMINATION

No person shall be excluded from participating in, be denied the proceeds of, or be subject to discrimination in the performance of this Agreement on account of race, creed, color, sex, religion, disability or national origin.

## 22. CONFLICT OF INTEREST

- (a) The Consultant covenants that neither it or its employees or contractors on this project have any interest and will not acquire any interest, direct or indirect, which would constitute a conflict of interest in violation of the Consultant's professional obligations.
- (b) The Consultant further covenants that:
  - a. neither it nor its employees or contractors are a territorial officer or employee (i.e., the Governor, Lieutenant Governor, member of the Legislature, or any other elected territorial official; or an officer or employee of the legislative, executive or judicial branch of the Government or any agency, board, commission or independent instrumentality of the Government, whether compensated on a salary, fee or Contractual basis); or

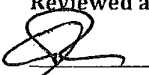
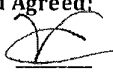
neither it nor its employer contractors have made, negotiated or influenced this Agreement, in its official capacity; and have any financial interest in the Agreement as that term is defined in section 1101 (1) of the Virgin Islands Code, Title 3, Chapter 37.

- (c) VIPFA acknowledges that the Consultant provides similar services for a broad range of other clients and agrees that Consultant shall be free to work for other clients in matters that do not involve the use of any confidential information that has been disclosed by VIPFA under the terms of this Agreement or do not directly conflict with or undermine Consultant's performance of the specific Services provided by the Consultant to VIPFA under this Agreement.

## 23. EFFECTIVE DATE

The effective date of this Agreement shall be the last date signed by any of the Parties hereto, upon ratification of this Agreement.

## 24. NOTICE

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Any notice required to be given, by the Terms of this Agreement shall be deemed to have been given when the same is sent by certified mail, return receipt requested, with postage prepaid, or personally delivered, addressed to the Parties as follows:

**VIRGIN ISLANDS PUBLIC  
FINANCE AUTHORITY**

**Valdamier O. Collens**  
**Executive Director**  
5033 Kongens Gade  
St. Thomas, Virgin Islands 00802

**COPY TO:**

**Kenneth E. Mapp**  
**Governor of the Virgin Islands**  
Government House  
St. Thomas, Virgin Islands 00802

**CONSULTANT:**

**Ernst & Young LLP**



Notice which is hand delivered shall be deemed given upon delivery. Notice which is mailed shall be deemed given on the date signed as received on the return receipt, or within three (3) days following deposit in the U.S. Mail, postage prepaid, whichever occurs first. A Party may change the person or address for notice hereunder by providing written notice pursuant hereto.

**25. LICENSURE**

The Consultant covenants that it has complied with all applicable licensure and other requirements to provide to the VIPFA the services described in Addendum I, and has otherwise complied with Title 27 of the Virgin Islands Code, to the extent applicable to the Consultant.

**26. FALSE CLAIMS**

The Consultant warrants that it shall not, with respect to this Agreement make or present any claim upon or against the VIPFA, or any officer, department, board, commission, or other agency thereof, knowing such claim to be false, fictitious, or fraudulent. The Consultant acknowledges that making such a false, fictitious, or fraudulent claim is an offense under Virgin Islands law.

**27. NOTICE OF FEDERAL FUNDING**

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The Consultant acknowledges that this Agreement may be funded, in whole or in part, by federal funds. The Consultant warrants that it shall not, with respect to this Agreement, make, or present any claim knowing such claim to be false, fictitious, or fraudulent. The Consultant acknowledges that making such a false, fictitious, or fraudulent claim is a federal offense.

**28. DEBARMENT CERTIFICATION**

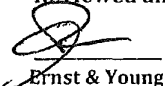

By execution of this contract, the Consultant certifies that it is eligible to receive contract awards using federally appropriated funds and that it has not been suspended or debarred from entering into contracts with any federal agency. The Consultant shall include this provision in each of its subcontracts hereunder and shall furnish its subcontractors with the current "LIST OF PARTIES EXCLUDED FROM FEDERAL PROCUREMENT OR NON-PROCUREMENT". In the event the Consultant or any subcontractor misrepresents its eligibility to receive contract awards using federal funds, the Consultant or subcontractor agrees that it shall not be entitled to payment for any work performed under this Agreement or any subcontract and that the Consultant or subcontractor shall promptly reimburse VIPFA for any progress payments heretofore made.

**29. FORCE MAJEURE**

Neither Party shall be responsible for any delay or failure in performance, other than the obligation to make payments for work previously performed, to the extent that such delay or failure was caused by a force majeure event including Act of God, war, civil disturbance, governmental action, labor dispute unrelated to and without fault or negligence of the Party claiming the force majeure event, computer virus, or denial of access to the site or any other event beyond the reasonable control of the claiming Party. Performance under this Agreement shall resume promptly once the cause of delay or failure ceases and an equitable adjustment shall be made to the price and/or schedule of the Services including any mobilization or demobilization costs of Consultant.

**30. CONSULTANT'S PERSONNEL**

At any time during the Term, VIPFA may, in its sole and reasonable discretion, ask Consultant to replace particular employees, contractors, agents or other personnel performing Services on Consultant's behalf. Upon receipt of such notification, Consultant shall immediately terminate such personnel's performance of the Services and submit to VIPFA, for VIPFA's consent, which consent shall not be unreasonably withheld, the name and credentials of each individual whom Consultant suggests as a replacement for the individual so terminated. Upon receipt of notification from VIPFA of the acceptability of

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such proposed replacement, Consultant shall cause such replacement immediately to commence the performance of the Services, or the applicable portion thereof.

**31. FEMA CONTRACT CLAUSES**

FEMA's Standard Clauses for Contracts and Grants are set forth in Addendum III, attached hereto and incorporated herein.



**32. CONFIDENTIAL INFORMATION/ NONDISCLOSURE**

The Consultant follows professional standards of confidentiality and will treat information disclosed to it by the VIPFA as set forth in AICPA Ethics Rule 301. To the extent applicable, the Consultant and the VIPFA agree that the Consultant's obligations with respect to its access to and its use, handling, retention and disclosure (collectively, "use") of VIPFA information in connection with the Services may not be modified in any manner that may deviate from professional standards. Accordingly, the VIPFA agrees that any policy, protocol, agreement or any other instrument of any type (whether oral, written or electronic, regardless of form or execution, and whether imposed prior to or after the date of this Agreement) purporting to obligate the Consultant, any other EY Firm or any of their respective personnel with respect to their use of information in connection with the Services shall be deemed void and of no effect, and the VIPFA shall not seek to enforce any such obligation.

Unless prohibited by applicable law, the Consultant may provide the VIPFA's Information to other EY Firms and their personnel, as well as third-party service providers acting on the Consultant's or their behalf, who may collect, use, transfer, store or otherwise process (collectively, "Process") it in various jurisdictions in which they operate to facilitate performance of the Services, for the following limited purposes: to comply with regulatory requirements, to check conflicts, to provide financial accounting and other administrative support services, or for quality and risk management purposes. The Consultant shall be responsible to the VIPFA for maintaining the confidentiality of the VIPFA Information, regardless of where or by whom such information is processed on our behalf. Either the Consultant or the VIPFA may use electronic media to correspond or transmit information relating to the services, and such use will not, in itself, constitute a breach of any confidentiality obligations.

If the Consultant processes VIPFA information that can be linked to specific individuals ("Personal Data"), the Consultant will process it in accordance with the preceding paragraph, as well as applicable law and professional regulations. The Consultant will require any service provider that Processes Personal Data on the Consultant's behalf to adhere to such requirements. If any VIPFA information is protected health information under the Health Insurance Portability and Accountability Act, as amended, this Agreement is deemed to incorporate all of the terms otherwise required to be included in a business associate contract relating to such information. The VIPFA

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warrants that it has the VIPFA to provide the Personal Data to the Consultant in connection with the performance of the services and that the Personal Data provided to the Consultant has been processed in accordance with applicable law.

**33. OTHER PROVISIONS; ORDER OF PRECEDENCE**

Addendum I (Scope of Services), Addendum II (Compensation and Rate Schedule), Addendum III (FEMA Standard Terms and Conditions for Contracts and Grants), and Addendum IV (Other Contract Documents) attached hereto are a part of this Agreement and are incorporated herein by reference.

In the event of a conflict in the terms and conditions of this Agreement, the following order of preference shall apply: (i) the FEMA Standard Terms and Conditions for Contracts and Grants (Addendum III); (ii) this Agreement; (iii) the Scope of Services (Addendum I); and (iv) the Compensation and Rate Schedule (Addendum II).

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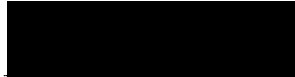
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IN WITNESS WHEREOF, the Parties have hereunto set their hands on the day and year first above written.

WITNESSES:

VIRGIN ISLANDS PUBLIC FINANCE AUTHORITY

  
 12-3-17

By:   
Valdamier O. Collens  
Executive Director

December 3, 2017  
Date


ERNST & YOUNG PUERTO RICO LLC



  


By:   
Partner

12/01/17  
Date

(Corporate seal, if Consultant is a corporation)

Duly  fied by the Board of Directors of the Virgin Islands Public Finance Authority.

By:   
KENNETH E. MAPP  


12-06-17  
Date

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**ADDENDUM I**  
**SCOPE OF SERVICES**

**A. IDENTIFICATION OF SERVICES**

VIPFA and Consultant acknowledge that the Services identified herein are adapted from a Request for Qualifications for a “Consultant for Hurricane Financial Recovery and FEMA Coordination” dated as of September 10, 2017 (the “RFQ”), and from Consultant’s Statement of Qualifications responding to same, dated as of October 2, 2017 (the “Proposal”), and that the contents of the Proposal provide relevant context for the Parties’ understanding of the scope of the Services. The RFQ and Proposal are attached hereto in Addendum IV.

Consultant will provide the Services identified by check mark (√) in Addendum I-1 in connection with financial disaster recovery from the 2017 hurricanes and any other previous or future storms for which VIPFA require assistance (the “Matter”). As it relates to this engagement, VIPFA will make all management decisions and perform all management functions in relation to its grants and insurance claims. VIPFA will provide oversight for Consultant’s work by designating a sponsor from VIPFA to coordinate Consultant’s efforts. In addition, VIPFA will evaluate the adequacy and results of the Services performed and accept responsibility for the results of the Services.

The Services are advisory in nature. Consultant will not render an assurance report or opinion under the Agreement, nor will the Services constitute an audit, review, examination, or other form of attestation as those terms are defined by applicable professional standards. None of the Services or any work product will constitute any legal opinion or advice. None of the Services or any work product will constitute any tax opinion or advice.

Consultant will not identify, address or correct any errors or defects in VIPFA’s computer systems, other devices or components thereof (“Systems”), whether or not due to imprecise or ambiguous entry, storage, interpretation or processing or reporting of data. Consultant will not be responsible for any defect or problem arising out of or related to data processing in any Systems.

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**B. NONEXCLUSIVITY**

Inclusion of an identified task or role in this Scope of Services does not confer upon Consultant an exclusive right to perform said task or role, or in any way limit VIPFA's VIPFA to assign such tasks as it deems appropriate to such contractors as it deems appropriate.

**C. REVISIONS TO SCOPE OF SERVICES**

VIPFA may direct changes within the general Scope of Services. Upon notification of such direction, the Consultant shall prepare an estimate of the additional costs and time required, if any, to perform the change. Upon mutual written agreement, Consultant shall perform the change and to the extent necessary, an equitable adjustment shall be made to the price and/or time schedule as appropriate.

**D. CONSULTANT'S RESPONSIBILITIES**



1. Consultant shall perform the Services utilizing the standard of care normally exercised by professional consulting firms in performing comparable services under similar conditions, and to require the maintenance of such standards by any employee or contractor employed by it to perform services hereunder. Consultant represents, warrants and covenants to VIPFA that it has and shall maintain during the Term the proper licenses and rights to perform the Services and shall perform the Services in compliance with any applicable laws, rules and regulations, and that all workers employed by Consultant to perform work hereunder are authorized to work and duly qualified to perform the work assigned to them.

2. Consultant will use experienced personnel to complete this engagement. Consultant shall submit proof to the satisfaction of the VIPFA that it can perform the services contracted under the laws of the United States Virgin Islands, to include its Certificate of Existence, Certificate of Insurance (or blanket additional insured endorsement) naming the Government of the Virgin Islands and the Virgin Islands Public Finance Authority as Additional Insureds, with limits encompassing the value of the Project, Virgin Islands Business License, and such other information as may be required.

3. Consultant shall maintain, at its own expense, in full force and effect during the Term of this Agreement, liability insurance that would reasonably be expected to cover any loss or claim that may arise from the provision of the Services to VIPFA, and provide proof thereof to VIPFA within fifteen (15) days of the Effective Date of this Contract. CONSULTANT MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, EXCEPT AS SPECIFICALLY SET FORTH IN THIS AGREEMENT.

4. The Consultant will provide updates of the status of the work being performed upon request by VIPFA, and at such and such regular intervals as may be reasonably determined by VIPFA. The Consultant will submit invoices on a monthly basis. Invoices will include a description of the date, time and level of staff performing the service, and a description of the services provided.

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5. Within 30 days of the effective date of this Agreement, Consultant shall provide to VIPFA a written plan for making efforts to integrate U.S. Virgin Island residents into Consultant's performance of the Services and building local capability for performing similar services in the future. Within 90 days of the effective date of this Agreement, and from time to time thereafter, Consultant shall report to VIPFA on the number of U.S. Virgin Islands residents employed by or otherwise working for Consultant, the tasks and roles assigned such residents, and Consultant's plans for making efforts to increase its use of local residents going forward.

**C. VIPFA'S RESPONSIBILITIES**

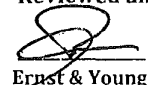

1. VIPFA, in conjunction with the Government, shall make timely payments in accordance with the terms and conditions of this Agreement.

2. VIPFA, in conjunction with the Government, has general oversight responsibility over the administration, management and payment of all funds, including federal funds, used during the post hurricane restoration work performed under this Agreement and has specifically retained Consultant to provide the services stated herein. VIPFA is responsible for compliance with laws, regulations, contracts, bond issuance and other financing which may be applicable, and relies upon the Consultant for its advice in this regard. VIPFA, in conjunction with the Government, shall insure that adequate funding for the project is maintained.

3. VIPFA agrees that all records, documentation, and information requested by the Consultant in connection with the Services will be made available, and Consultant may reasonably rely on same unless the Parties expressly otherwise agree. Consultant will have the full cooperation of VIPFA personnel.

4. In accordance with Title 33, Section 44 of the Virgin Islands Code, VIPFA, in conjunction with the Government, shall deduct and withhold gross receipt taxes (GRT) equal to five percent (5%) of each payment, and transmit the GRT to the Virgin Islands Bureau of Internal Revenue. A "payment" is defined as "(1) any single payment of at least \$30,000.00; and (2) any payment pursuant to a contract providing for a total expenditure of \$225,000.00 or more."

5. VIPFA shall notify Consultant promptly in writing upon becoming aware of (A) changes in the status of the Matter in connection with which the Services are provided, or (B) objections or issues with respect to the performance of the Services.

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ADDENDUM I-1

Scope of Services for Ernst & Young

✓ indicates that the listed task falls within the Agreement's scope of services

**A. Track 1: Initial Tasks**

1. Assess damages and costs: assist the USVI to understand and quantify storm-related damages and costs, to include specific damage assessments
2. Identify recovery sources: assist the USVI to identify potential sources of recovery
  - a. Commercial insurance and NFIP ✓
  - b. FEMA disaster programs
  - c. HUD disaster programs
  - d. Other federal or private sources of funding
3. Meeting preparation and assistance: prepare USVI representatives for meetings with FEMA/HUD and other federal agencies,
4. Technical Assistance and Management Support for Emergency Work to Restore Critical Infrastructure and Debris Management
5. Technical Assistance and other support to the Governor's Hurricane Recovery Task Force

**B. Track 2: Recovery Process Planning and Implementation**

1. Organizational process development: work with USVI staff to develop and modify policies/procedures/systems in accordance with organizational needs and objectives, as well as applicable government regulations
2. Program-specific process development: assist with the development of processes, controls and technologies to support the execution of the following federal administered programs:
  - a. Public Assistance (FEMA)
  - b. Hazard Mitigation (FEMA)
  - c. Individual Assistance (FEMA)
  - i. Other Needs Program
  - d. Community Development Block Grant – Disaster Recovery (CDBG-DR) program (HUD)
  - e. Federal Highway Administration Emergency Relief (FHWA ER)
  - f. other grant and assistance programs
3. Compliance: assist USVI staff with the programmatic, policy, financial, and accounting services necessary to meet aid program requirements
  - a. FEMA ✓
  - b. HUD ✓
  - c. Other federal ✓
  - d. USVI ✓
  - e. Commercial insurers ✓
4. Housing Recovery: Support the USVI in assessing, developing, implementing and managing interim (short term) and permanent (long term) housing recovery programs

**C. Track 3: Grant Application and Financial Management**

1. Grant application assistance: assist USVI with applications for and management of federal grants, including:
  - a. FEMA Public Assistance Program
  - b. FEMA Hazard Mitigation Grant Program
  - c. Community Disaster Loan(s) ✓
  - d. CDBG grants
  - e. Other federal programs identified in Track 1
2. Grant compliance assistance:
  - a. Provide guidance on funding requirements and assist USVI to proactively identify and resolve eligibility and compliance issues. ✓
  - b. Provide guidance on procurement and contracting compliance ✓
  - c. Develop processes to track reconstruction and funding status for each project. ✓
  - d. Facilitate interactions and reviews of documentation by relevant parties (insurers, FEMA, HUD, etc.) ✓
  - e. Meet with USVI departments to collect, organize and analyze costs, contracting, and other supporting documentation for each project ✓
  - f. Reconcile proceeds from funding sources to identify duplication of benefits ✓

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- g. Provide assistance with the overall grant closeout process including responding to requests for information ✓
- 3. Audit preparation: assist USVI to prepare for inspections/audits and resolve findings, including organization of supporting documentation, advice regarding the resolution of compliance and eligibility issues and development of corrective action plans ✓
- 4. Risk assessment and monitoring: undertake risk assessments and monitoring of projects to assist the USVI in understanding compliance related matters and appropriately steward recovery funds ✓
- 5. Procurement assistance: provide guidance on procurement practices and assist with reviewing procurements and contracts related to the recovery effort ✓
- 6. Dispute resolution: support USVI staff in resolving eligibility issues and disputes, if necessary, including appeal and arbitration processes
- 7. Financial planning assistance: provide assistance as required to USVI staff regarding cash flow, budgetary matters, and tax implications related to the recovery which may include: cash flow forecasting, quantifying lost tax revenues, quantifying changes to expense and capital outflows, and identifying alternative revenue and expense measures ✓

**D. Track 4: Strategic Planning**

- 1. Strategic recovery planning: provide strategic planning and coordination of financial recovery efforts related to federal disaster relief programs and commercial insurance
- 2. Mitigation and resiliency planning: assist in identifying mitigation projects for which USVI may seek grant funding in order to mitigate against future damage and build resiliency
- 3. Comprehensive long-term recovery planning: assist USVI in the creation and implementation of a long term recovery plan if requested
- 4. Emergency management planning: Assess the current emergency management plans, policies and procedures and assist with the development of new procedures and provide training, as needed
- 5. After-Action Reviews: Conduct After-Action Reviews, Develop Improvement Recommendation Reports and Convene Forums covering both public and private entities related to response to and recovery from Hurricanes Irma and Maria

**E. Other related services as requested by USVI**

TBD

**ADDENDUM II**  
**TERMS OF COMPENSATION & RATE SCHEDULE**


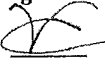
Following execution of this Agreement, VIPFA agrees to pay the Consultant such amounts as are duly invoiced by Consultant to VIPFA for the performance of the Services pursuant to the Rate Schedule below, provided that the amounts paid to Consultant shall not exceed fifty thousand dollars (\$50,000.00) unless and until this Agreement is approved and ratified by VIPFA's Board of Directors. Upon such approval and ratification, the contract value herein shall increase to include such amounts as are invoiced to VIPFA by Consultant from time to time pursuant to this Agreement, including Reimbursable Expenses as set forth in Clause 4 of this Agreement, provided that the amounts paid hereunder shall not in aggregate exceed five million dollars (\$5,000,000.00) annually without mutual and prior agreement of the Parties.

Should the Board of Directors fail to approve and ratify this contract within thirty (30) days of the date hereof then this Agreement shall remain in effect until the amounts paid to Consultant hereunder equal \$50,000.00, after which this Agreement shall terminate and have no further force and effect.

VIPFA further agrees to pay the Consultant such amounts as are duly invoiced by Consultant to VIPFA for the performance of services provided by approved subcontractors to Consultant. Payment for subcontractor services shall be made to Consultant in accordance with the pricing set forth in Consultant's request for VIPFA's approval of such subcontractor services. For the avoidance of doubt, amounts paid for work performed by subcontractors shall count against the \$5,000,000 annual cap.

Invoices will be submitted every 30 days and payment is due net 30 days after receipt of such invoice. All invoices shall include any and all information required to comply with the Federal laws, regulations, and policies governing Federal reimbursement of disaster recovery-related expenditures.

Consultant will perform the Services on a time and materials basis plus out of pocket expenses consistent with its General Services Administration (GSA) cooperative contract as modified herein. A cap shall be established on fees via a purchase order issued by the Government, this cap may be revised from time to time based on the scope of assistance required. Invoices shall be based upon hourly billings by Consultant's personnel according to the Rate Schedule attached as Addendum II-1:


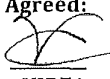
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Addendum II-1

Title	GSA Rate as of Sept. 8, 2017-Sept, 7, 2018	Contractual discount off GSA Rate*	Contractual Rate Sept. 8, 2017-Sept, 7, 2018
Partner/Principal/Executive Director/Heavy Senior Manager	██████	██████	██████
Senior Manager	██████	██	██████
Manager	██████	██	██████
Senior Advisor	██████	██	██████
Advisor	██████	██	██████

\* The same discount rate will be provided against GSA rates in future periods

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### ADDENDUM III

#### FEMA STANDARD TERMS AND CONDITIONS FOR CONTRACTS AND GRANTS

The Parties shall comply with all federal laws and regulations applicable to the receipt of FEMA grants, including, but not limited to the contractual procedures set forth in Title 2 of the Code of Federal Regulations, Part 200 ("2 CFR 200"), including Appendix II to such Part ("Appendix II").

In addition, the Parties agrees as follows:

1. VIPFA confirms that it is entitled to exercise all administrative, contractual, or other remedies permitted by law to enforce Consultant's compliance with the terms of this Agreement, except to the extent expressly provided otherwise by this Agreement.
2. VIPFA confirms that it may terminate this Agreement for cause or convenience in accordance with the procedures set forth in this Agreement.
3. Compliance with the Davis-Bacon Act and Copeland Anti-Kickback Act.
  - a. Contractor. Consultant shall comply with 18 U.S.C. §874, 40 U.S.C. § 3145, and the requirements of 29 CFR Part 3 as may be applicable, which are incorporated by reference into this Agreement.
  - b. Subcontracts. Consultant and any subcontractors to Consultant shall insert in any subcontracts the clause above and such other clauses as FEMA may by appropriate instructions require, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontractors. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with all of these contract clauses.
  - c. Breach. A breach of the contract clauses above may be grounds for termination of the contract, and for debarment as a contractor and subcontractor as provided in 29 CFR §5.12.
4. Compliance with the Clean Air Act and the Federal Water Pollution Control Act.
  - a. Clean Air Act

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(i) Consultant agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, 42 U.S.C. §7401 et seq.

(ii) Consultant agrees to report each violation to VIPFA and understands and agrees that VIPFA will, in turn, report each violation as required to assure notification to FEMA and the appropriate Environmental Protection Agency Regional Office.

(iii) Consultant agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with Federal assistance provided by FEMA.

**b. Federal Water Pollution Control Act**

(i) Consultant agrees to comply with all applicable standards, orders or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq.

(ii) Consultant agrees to report each violation to VIPFA and understands and agrees that VIPFA will, in turn, report each violation as required to assure notification to FEMA and appropriate Environmental Protection Agency Regional Office.

(iii) The contractor agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with Federal assistance provided by FEMA.”

**5. Suspension and Debarment**

a. This contract is a covered transaction for purposes of 2 C.F.R. pt. 180 and 2 C.F.R. pt. 3000. As such, Consultant is required to verify that none of Consultant, its principals (defined at 2 C.F.R. § 180.995), or its affiliates (defined at 2 C.F.R. § 180.905) are excluded (defined at 2 C.F.R. § 180.940) or disqualified (defined at 2 C.F.R. § 180.935).

b. Consultant must comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C and must include a requirement to comply with these regulations in any lower tier covered transaction it enters into.

c. This certification is a material representation of fact relied upon by VIPFA. If it is later determined that Consultant did not comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C, in addition to remedies available to VIPFA, the Federal Government may pursue available remedies, including but not limited to suspension and/or debarment.

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d. The bidder or proposer agrees to comply with the requirements of 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C while this offer is valid and throughout the period of any contract that may arise from this offer. The bidder or proposer further agrees to include a provision requiring such compliance in its lower tier covered transactions.

**6. Compliance with Byrd Anti-Lobbying Amendment**

a. Consultant hereby certifies to the best of its knowledge that:

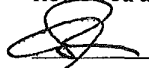
(i) No Federal appropriated funds have been paid or will be paid, by or on behalf of Consultant, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(ii) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, Consultant shall complete and submit Standard Form- LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

b. Consultant shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly. Contractors who apply or bid for an award of \$100,000 or more shall file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Each tier shall also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the recipient.

c. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31, U.S.C. § 1352 (as amended by the Lobbying Disclosure Act of 1995). Any person who fails to file the

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required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

d. By executing this Agreement, Consultant hereby certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, Consultant understands and agrees that the provisions of 31 U.S.C. § 3801 *et seq.*, apply to this certification and disclosure, if any.

**7. Procurement of Recovered Materials**

a. In the performance of this contract, Consultant shall make maximum use of products containing recovered materials that are EPA- designated items unless the product cannot be acquired—

(i) Competitively within a timeframe providing for compliance with the contract performance schedule;

(ii) Meeting contract performance requirements; or

(iii) At a reasonable price.

b. Information about this requirement, along with the list of EPA-designate items, is available at EPA's Comprehensive Procurement Guidelines web site, <https://www.epa.gov/smm/comprehensive-procurement-guideline-cpg-program>.

**8. Access to Records**

The following access to records requirements apply to this Agreement:


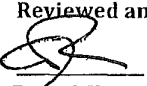
a. Consultant agrees to provide VIPFA, the FEMA Administrator, the Comptroller General of the United States, or any of their authorized representatives access to any books, documents, papers, and records of the Contractor which are directly pertinent to this contract for the purposes of making audits, examinations, excerpts, and transcriptions.

b. Consultant agrees to permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed.

c. Consultant agrees to provide the FEMA Administrator or his authorized representatives access to construction or other work sites pertaining to the work being completed under the contract.

**9. Use of DHS Seal**

Consultant shall not use the DHS seal(s), logos, crests, or reproductions of flags or likenesses of DHS agency officials without specific FEMA pre- approval.

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**10. Compliance with Federal Law**

This is an acknowledgement that FEMA financial assistance will be used to fund the Agreement only. Consultant will comply with all applicable federal law, regulations, executive orders, FEMA policies, procedures, and directives.

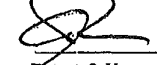
**11. Non-Obligation of Federal Government**

The Federal Government is not a party to this Agreement and is not subject to any obligations or liabilities to the non-Federal entity, contractor, or any other party pertaining to any matter resulting from the contract.

**12. Program Fraud and False or Fraudulent Statements or Related Acts**

Consultant acknowledges that 31 U.S.C. Chap. 38 (Administrative Remedies for False Claims and Statements) applies to the contractor's actions pertaining to this contract.

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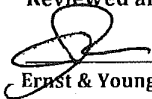
  
VIPFA

**ADDENDUM IV – OTHER CONTRACT DOCUMENTS**

Attached hereto as part of this Addendum IV are the following documents:

1. Request for Qualifications for a “Consultant for Hurricane Financial Recovery and FEMA Coordination” dated as of September 10, 2017
2. Ernst & Young, Request for Qualifications Response: Consultant for Hurricane Financial Recovery and FEMA Coordination, submitted October 2, 2017

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Ernst & Young

  
VIPFA